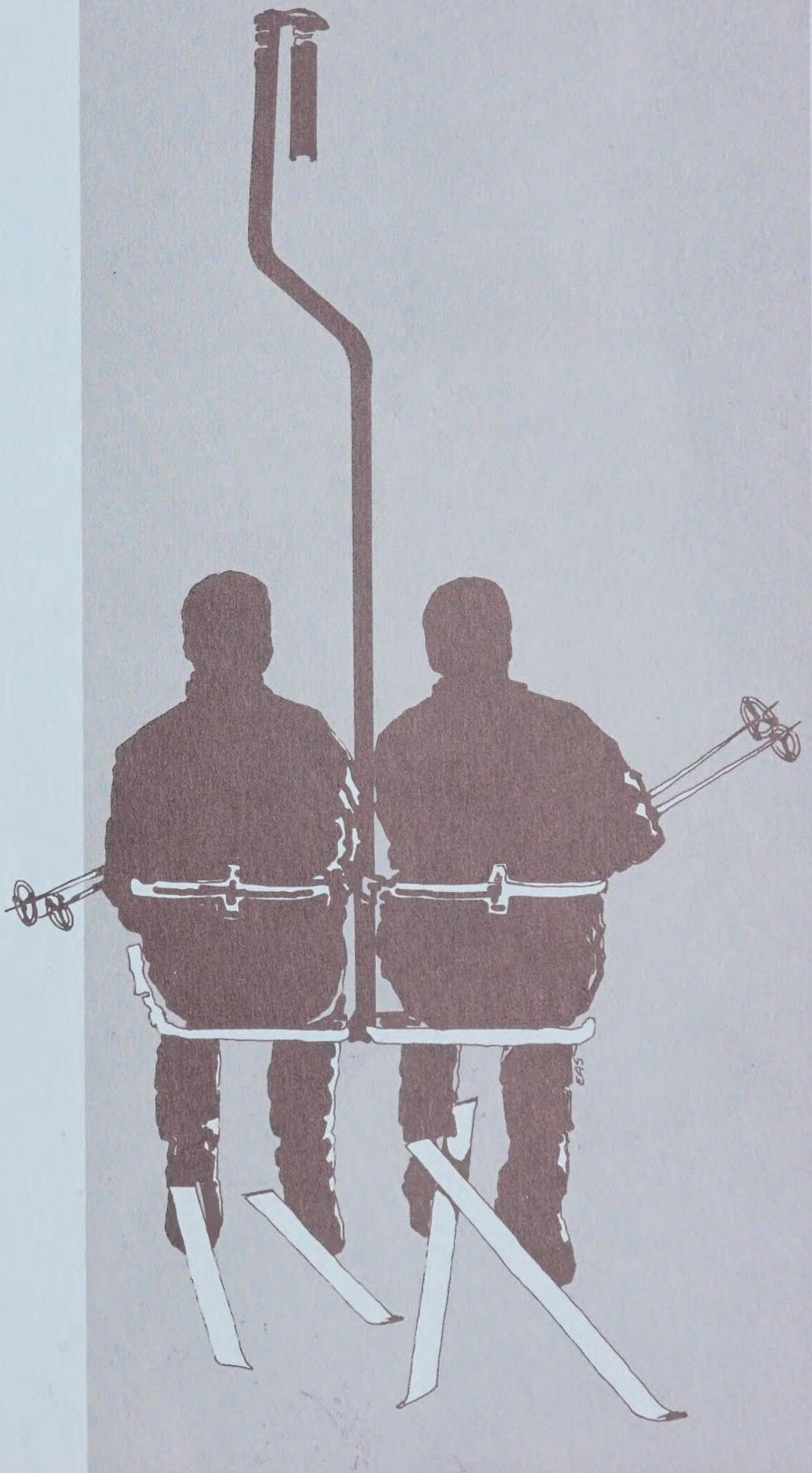


*Van Cleave*

**GARIBALDI  
LIFTS  
LTD.  
INTERIM REPORT**



For the 6 months ending June 30, 1972





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# Interim Report

"The 1971-72 ski season was an unusual one for nearly all North American ski areas. Lack of natural snow early in the season plagued most areas, while others encountered operational problems due to excessive snows and high winds. By late January the weather had stabilized, but the wind continued to be a problem almost everywhere."

The foregoing is taken from an article in *Ski Area Management* magazine. Whistler Mountain did not suffer from shortage of snow in the past season. Quite the contrary. Our problems were due to excessive snow conditions on the lower parts of the mountain and in the valley.

Also, 1972 will be remembered at Whistler as the year of high winds. This condition also created numerous problems for us. In eight years of operations we have never had to contend with winds of such intensity. As a consequence, our operations were disrupted to a degree never before experienced.

In previous years if we were forced to close the lift system because of wind conditions, it was regarded as an exceptional circumstance. Last winter we closed the lifts on ten different days because of high winds.

The operating result for the six-month period under review was greatly influenced by the unusual weather pattern, and it is substantially due to this fact that the annual increase in revenue, to which we had become accustomed did not materialize.

The second most significant adverse factor responsible for the lack of growth was the limited capacity of the Gondola/Red Chair system which has been repeatedly brought to the attention of shareholders in past reports. Because of the limitations of the system which results in long delays on Saturdays and Sundays, we have had no opportunity to increase our revenue when conditions are good.

## OPERATING RESULTS

It is a pleasure to report, however, that in spite of these poor conditions, gross earnings increased in the six-month period, January 1 to June 30, 1972, from \$686,666 to \$729,987, for an increase of 6.3%.

## FEWER ACCIDENTS

At the same time, while snowpacking, grooming and snow clearing increased, operating expenses remained the same. The significant side effect of this increased grooming and hill preparation is the remarkable decrease of accident per skier day from .22 to .14. This is regarded by our Ski Patrol as a direct result of our providing safer skiing conditions for the skiing public at Whistler.

### **CHARTERS IMPROVE BUSINESS**

The Ski Can series of ski charters from Toronto and Montreal results in higher utilization of the equipment during mid-week and is the beginning of a welcome trend. However, insufficient accommodation does not permit us to exploit this ready market.

### **EXPANSION OF LIFT SYSTEM**

As was stated in the Annual Report at December 31st, 1971, the contract for the construction of two new lifts has been let to Murray Latta Lifts Ltd., Vancouver. Construction work commenced at the beginning of June 1972, and is progressing according to plan. It is anticipated that these lifts will be in operation for the 1972/73 season. This welcome expansion of the lift system will eliminate the worrisome bottleneck in the Valley and the anticipated increase in number of skiers on prime days should not cause long waiting periods on the present lifts as the expanded system will open new and excellent ski terrain for novices as well as expert skiers, particularly the one running uphill from Mid-Whistler.

### **NEW SKI RUN**

Creation of a major new ski run, the Whiskey Jack, to serve this lift is also well underway. An additional amount of \$536,926 under the item "Application of Working Capital," represents mainly the cost of the equipment for the two new chairlifts.

### **HIGHWAY IMPROVEMENT**

In conclusion, it is important to note the extensive work being undertaken by the Department of Highways on Highway 99 between Alice Lake and Broom Lake, which will eliminate most of the troublesome switchbacks and curves will greatly improve conditions for skiers traveling to Whistler.

On behalf of the Board of Directors,

**FRANZ M. WILHELMSEN**

*President*

# Comparative Statement of Earnings and Expenses

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	January 1 to June 30	
	1972	1971 Revised
Revenue from operations	\$ 729,987	\$ 686,666
Operating expenses	339,283	333,435
Interest expense	6,856	7,531
Depreciation and amortization	74,603	71,930
Income before Income taxes	\$ 309,245	\$ 273,770
Income Taxes — current	45,218	5,423
Income Taxes — deferred	109,405	131,462
	\$ 154,623	\$ 136,885
Net income	\$ 154,622	\$ 136,885
Subject to audit and year end adjustments.		
SOURCE AND APPLICATION OF FUNDS:		
January 1 to June 30, 1972	1972	1971
(with comparative figures for 1971)		Revised
SOURCE OF WORKING CAPITAL:		
Net profit before non-cash charges	\$ 338,693	\$ 338,847
Increase in term indebtedness	—	—
	\$ 338,693	\$ 338,847
APPLICATION OF WORKING CAPITAL:		
Addition to property, plant and equipment		
transportation system and property improvements	536,926	3,508
buildings	—	2,542
equipment	4,527	16,663
Preferred Share dividend	—	32,000
Reduction of term indebtedness	10,000	10,000
	\$ 551,453	\$ 64,713
INCREASE/(DECREASE) IN WORKING CAPITAL	(212,760)	274,134
WORKING CAPITAL DEFICIENCY — January 1	268,953	473,845
WORKING CAPITAL DEFICIENCY — June 30	\$ 481,713	\$ 199,711

The figures for June 30, 1971, have been restated to reflect the revised policy of taking season passes into income on an earned basis.

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